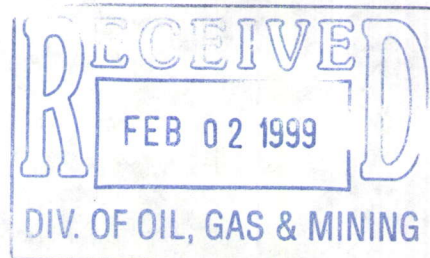


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8. Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/1/98 To (mo./yr.) 12/31/98
2. DOGM File Number (Mine No): M / 045 / 022
3. Mine Name: Knolls Solar Ponds
4. Mineral(s) Mined (or permitted to mine): Magnesium Chloride Brine
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):

 1/4, 1/4, 1/4, Section , Township , Range

 1/4, 1/4, 1/4, Section , Township , Range

 1/4, 1/4, 1/4, Section , Township , Range

7. Name of Operator or Company: Magnesium Corporation of America
8. Permanent Street Address: 238 North 2200 West
City, State, Zip: Salt Lake City, Utah 84116
Phone: 801-532-2043
9. Company Representative (or designated operator):
Name: Lee R. Brown
Title: Vice President
Business Address: 238 North 2200 West
City, State, Zip: Salt Lake City, Utah 84116
Phone: 801-532-2043

☐ Please check if any of the above information has changed since previous year.

II Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity?
3. If yes - how much ore or mineral was mined? 35.7 MM Gallons

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.

Pumped brine through series of ponds to increase magnesium concentration.

No additional surface was used.

5. How much **additional acreage** was disturbed during the past year? None
6. How much acreage was **reclaimed** during the past year? N/A
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

N/A

8. What is the **total disturbed acreage of entire** project at years end? N/A
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.

Recover 25 to 30 MM gallons of mag brine.

No reclamation required

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

Title of Operator:

Signature of Operator:

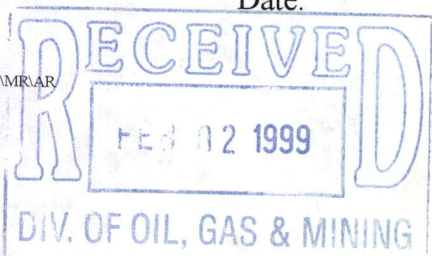
Date:

Lee R. Brown

Vice President

Lee R. Brown
1/26/99

jb
a:\forms\MR\AR



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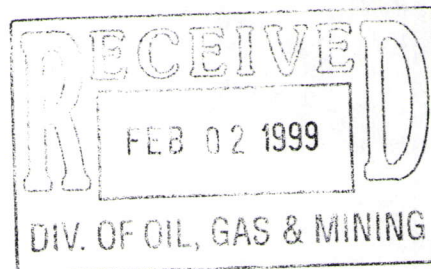
magcorp

MAGNESIUM CORPORATION OF AMERICA

238 North 2200 West - Salt Lake City, UT 84116-2921
801/532-2043 - 800/262-9624 - FACSIMILE 801/534-1407

January 26, 1999

D. Wayne Hedberg
Permit Supervisor
Department of Natural Resources
Div. of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City



RE: Annual Report for the Year 1998

Attached per your instructions is the Annual Report for the year 1998 on Mine Nos. M/045/008 and M/045/022

Should you have any questions, please contact me at 801-532-2043 Ext. 573.

Sincerely,

A handwritten signature in cursive script, reading "Lee R. Brown".

Lee R. Brown
Vice President
Magnesium Corporation of America

Attachments

cc: T. Tripp
D. Silva Jr.

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